Study on sectors affected by rupee appreciation

125. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has conducted any study as to which sectors of industry in the country have suffered due to appreciation of Indian rupee *vis-a-vis* US dollar;

(b) if so, the details thereof; and

(c) the steps taken/proposed to be taken by Government to help the industry to tide over the crisis?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Government has been receiving a number of representations from the exporters, industry associations, Chambers of Commerce and Industry and Export Promotions Councils from the beginning of last year regarding the difficulties being faced by them on account of rupee appreciation. While announcing relief measures in June 2007, Government also set up a Committee to assess job losses in the next 12 months due to rupee appreciation and loss of export orders. The Committee deliberated on the following: Economic Impact of Rupee Appreciation, Consequential Impact of Export Competitiveness, Loss of Export orders; Job loss in various sectors; and Suggest measures to maintain Indian export competitiveness. The Committee, after taking into account the various issues, recommended various relief measures, many of which have been accepted by the Government.

(c) There have been a number of steps taken to provide relief to the exporters to meet the adverse situation arising out of rupee appreciation: which include enhancement of Duty Entitlement Passbook Scheme (DEPB) rates, enhancement of Duty Drawback, reduction of ECGC premia rates, reduction of interest of pre and post shipment, credit, timely settlement of refund of terminal excise duty, central sales tax, deemed export duty drawback up to 30th June, 2007, making Exchange Earners Foreign Currency (EEFC) accounts interest bearing, exemption/refund of service tax with respect to some of the services related to exports, enhancement of assistance to exporters as also coverage of additional products under Vishesh Krishi and Gram Udyog Yojana and reduction of import duties on select textile materials.

Industries affected by rupee appreciation

†126. DR. MURLI MANOHAR JOSHI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that external trade has been affected due to strengthening of rupee in comparison to US dollar in the year 2007;

(b) if so, the facts thereof;

(c) the industries of the country which have been adversely affected thereby; and

(d) the steps taken by Government to make this effect ineffective?

† Original notice of the question was received in Hindi

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) The Indian Rupee has appreciated against all the four major freely convertible currencies and recorded the highest appreciation during the first six months of the current financial year against the US Dollar. The impact of rupee appreciation has been acutely felt by the exporting community, in particular, by those sectors whose inputs are less import driven, labour intensive and where value addition is low. The significance of the rupee's appreciation against the dollar is due to the fact that almost 70% of India's external trade is invoiced in dollars and any change in the dollar's rupees value has a disproportionate effect on the various stakeholders in the Rupee's external value such as importers, exporters, borrowers, lenders and consumers of imported goods.

(c) Some of these sectors which have shown negative growth for the period ending December 2007 as compared to the same period last year are tea (-9.4%), cashew (-9.9%), foods and vegetables (-32.3%), marine products (-50.1%), leather and leather manufacturing (-19.6%), cotton yarn/fabrics/made-ups etc. (-15.1%), readymade garments of all textiles (-24%), carpet (-37.5%), handicrafts excluding hand-made carpets (-75.5%).

(d) Considering the seriousness of the situation, Government has taken a number of measures to provide relief to the exporting community. The relief measures include enhancement of DEPB/Duty Drawback rates, Decrease of ECGC premium, Provision of Interest Subvention for reduced pre and post shipment credit, Faster clearance of TED and CST claims, Exemption/Refund of Service Tax in respect of certain services, Funds in EEFC account made interest bearing etc.

Uniform rewards to soldiers by States

127. SHRI JANARDHANA POOJARY: Will the Minister of DEFENCE be pleased to state:

(a) whether State/UT Governments extend a variety of assistance to its citizens who have shown and won exemplary valour and colour as soldiers in war and peace;

(b) whether in the absence of a fixed criteria, such rewards vary from State to State, i.e. while some award thousands of rupees, others reward their brave soldiers with gifts worth lakhs of rupees;

(c) whether such discrimination for similar colours/medals is having debilitating impact on the soldier's morale; and

(d) if so, details thereof and measures contemplated to bring about uniformity in the matter of largesse conferred by State Government on its soldiers?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI M.M. PALLAM RAJU): (a) Yes, Sir.

(b) Yes, Sir.

(c) and (d) The impact cannot be termed as debilitating but there is some dissatisfaction/ disappointment amongst the awardees on this account. Payment of these grants is a matter for State Governments to decide depending upon varying factors like their financial capability, etc.